



## PLANNING COMMISSION STAFF REPORT

<b>File No.</b>	<b>GP15-008</b>
<b>Applicant:</b>	<b>Republic Urban Properties</b>
<b>Location</b>	<b>320 Race Street</b>
<b>Existing General Plan Land Use</b>	<b>Combined Industrial/Commercial</b>
<b>Proposed General Plan Land Use</b>	<b>Transit Residential</b>
<b>Existing Zoning</b>	<b>Light Industrial</b>
<b>Council District</b>	<b>6</b>
<b>Historic Resource</b>	<b>Yes</b>
<b>Annexation Date:</b>	<b>Sunol_2 – March 31, 1955</b>
<b>CEQA:</b>	<b>Statutory Exemption</b>

**APPLICATION SUMMARY:** Amendment to the Envision San José 2040 General Plan Land Use/Transportation Diagram land use designation from Combined Industrial/Commercial to Transit Residential on an approximately 4.1 gross acre site.

**RECOMMENDATION:** Planning staff recommends that the Planning Commission make a recommendation to the City Council to **deny** the resolution amending the Envision San José 2040 General Plan Land Use/Transportation Diagram designation of the site from Combined Industrial/Commercial to Transit Residential.

### PROJECT DATA

GENERAL PLAN CONSISTENCY			
General Plan Designation		Combined Industrial/Commercial <input type="checkbox"/> Consistent <input checked="" type="checkbox"/> Inconsistent	
Consistent Policies		None	
Inconsistent Policies		Innovative Economy Policies: IE-1; IE-1.1; IE-1.2; IE-1.4; Fiscal Sustainability Policies: FS-4; FS-4.1; FS-4.5; Land Use Policies: LU-6; LU-6.1; LU-6.2; LU-6.4; LU-6.5; LU-6.6; LU-6.8; Broad Economic Prosperity: IE-6; IE-6.1; IE-6.2	
SURROUNDING USES			
	General Plan Land Use	Zoning	Existing Use
North	Urban Village	CP Commercial Pedestrian	Automotive and restaurant uses
South	Combined Industrial/Commercial	IP Industrial Park and HI Heavy Industrial	Automotive and commercial uses
East	Combined Industrial/Commercial	CIC Combined Industrial/Commercial	Automotive uses

<b>West</b>	Neighborhood/Community Commercial; Urban Residential	A(PD) Planned Development	Grocery store, restaurant, and multi-family residential uses
<b>RELATED APPROVALS</b>			
<b>Date</b>	<b>Action</b>		
<b>3/9/2001</b>	Site Development Permit File No. H01-015 to allow a 2,400 square foot storage building (OC McDonald) constructed without benefit of permit on a 0.90 gross acre site (expired).		
<b>5/22/2007</b>	Site Development Permit File No. H07-020 to legalize an existing 2,400 square foot prefab metal storage shed along with minor site modifications.		
<b>9/28/2009</b>	Permit Adjustment File No. AD09-866 for a propane gas tank, 135 gal capacity, to be located at the southeast corner of parcel 264-14-098 which is a part of an existing larger mechanical contractor's outdoor storage yard that includes an adjoining parcel with existing structures.		

## PROJECT DESCRIPTION

The applicant, Republic Urban Properties, applied for a General Plan Amendment on March 10, 2015, proposing to change the General Plan Land Use/Transportation Diagram land use designation from Combined Industrial/Commercial to Transit Residential on the 4.1 gross acre subject site. Per the information contained in the application, the land use change would facilitate the development of a mixed-use project.

### Site Location

The site is located on the southeast corner of West San Carlos and Race Streets, and is currently occupied by a mix of industrial and commercial uses including Mel Cottons sporting goods store and OC McDonald, a mechanical contractor. The site is surrounded by automotive and restaurant uses to the north, automotive and commercial uses to the south, automotive uses to the east, and a grocery store, restaurant, and multi-family residential uses to the west.

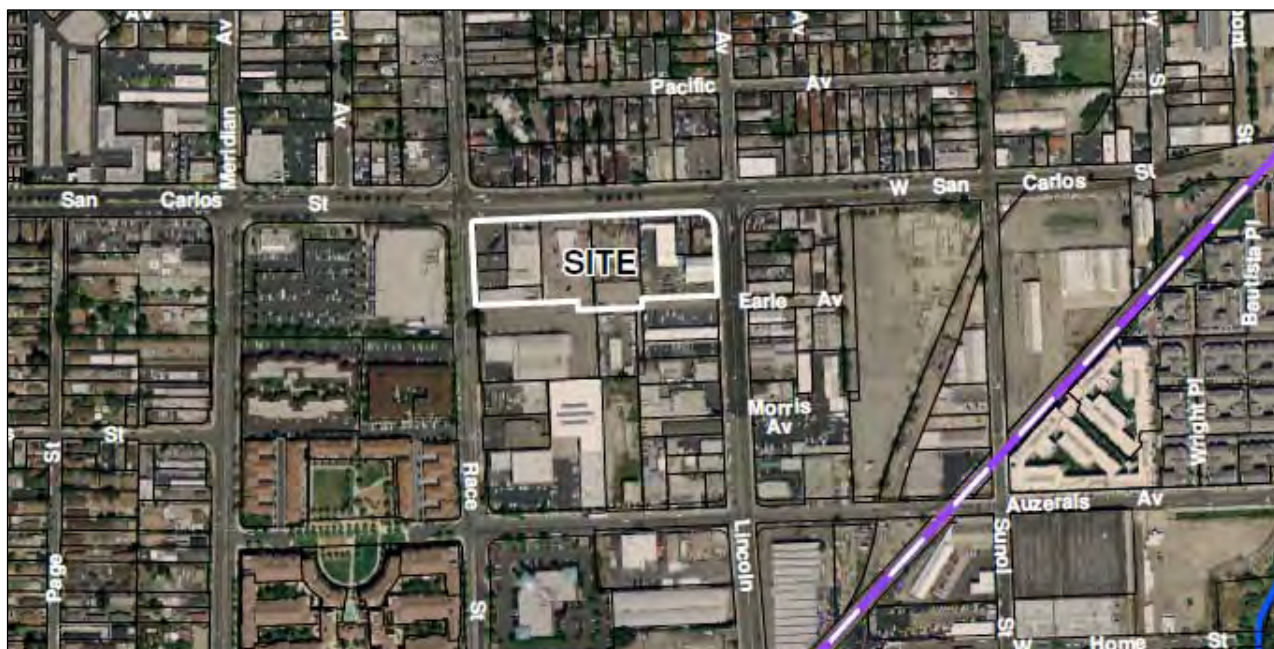


Figure 1: Site Location

## Early Consideration

The proposed General Plan Amendment is requesting a land use change from Combined Industrial/Commercial to Transit Residential on 4.1 acres. As this request is a conversion of a job generating land use, this amendment is subject to the Early Consideration hearing process. The Early Consideration process is utilized when a proposed land use amendment to the Envision San José 2040 General Plan is fundamentally inconsistent with the major strategies, goals and policies of the General Plan. The Administration brings the amendment to the Planning Commission for Early Consideration of a recommendation to the City Council for either denial or continued processing during the General Plan Annual Review.

## ANALYSIS

The proposed amendment was analyzed with respect to conformance with the major strategies, goals and policies of the Envision San Jose 2040 General Plan.

### General Plan Major Strategies, Goals, and Policies

A key strategy of the General Plan is to support San Jose's growth as an innovation/regional employment center. San Jose is the only U.S. city its size that acts as a net exporter of workers within the region. The resulting "bedroom community" jeopardizes the fiscal health of the city. To address this issue, the General Plan has established the achievement of a jobs-to-employed-resident ratio of 1.3 to 1. This objective informs the City's land use policies and land use designations. The General Plan recognizes the retention of existing employment lands, as well as, the development of new employment lands as a necessity to meet this objective.

The existing General Plan land use designation of the site is Combined Industrial/Commercial. This category allows a significant amount of flexibility for the development of a varied mixture of compatible commercial and industrial uses, including hospitals and private community gathering facilities. Properties with this designation are intended for commercial, office, or industrial development or a compatible mix of these uses.



Figure 2: General Plan Map

The proposed General Plan Land Use/Transportation diagram land use designation of Transit Residential allows for high-density, mixed-use residential development on sites that are located in close proximity to transit, jobs, amenities, and services. This designation may also be appropriate for some sites within Urban Village areas as identified through an Urban Village Planning process. The density for this designation is 50-250 dwelling units per acre. The proposed project site is in the Midtown Specific Plan Growth Area, which designates this site for Combined Industrial/Commercial uses.

The preservation of industrial land is critical to San Jose's economy and fiscal sustainability. Industrial areas provide 1/3 of the city's total jobs and over 1/3 of the City's total sales tax collection. As such, goals and policies discouraging the loss of job generating land uses are embedded throughout the 2040 General Plan. The retention of land for industrial uses in San Jose is also critical to the General Plan's goal to provide access to diverse employment opportunities in San Jose and to grow jobs that provide self-sufficient or living wages for its residents. Jobs in industrial areas provide middle income jobs and upward mobility for San Jose's Workforce; the average salaries in business that occupy light industrial properties typically range from \$60,620 to \$74,330 annually. The availability of middle income jobs provides indirect fiscal benefits to the City; workers enjoying higher salaries have more disposable income, contributing more sales tax to the City through increased retail spending. Reducing the amount of industrial land in the City, could ultimately impact the number of middle income jobs available for San Jose's growing population.

Specifically, the proposed land use conversion is fundamentally inconsistent with the following Envision San Jose 2040 General Plan major strategies, goals and policies as further analyzed below:

1. **Major Strategy #3 – Focused Growth:** A major strategy of the Envision General Plan is to focus growth capacity in specifically identified "Growth Areas", while the majority of the City is not planned for additional growth. While the Focused Growth strategy directs and promotes growth within identified Growth Areas, it also strictly limits new residential development through neighborhood infill outside of these Growth Areas. Additionally, because the City is largely built-out within its city limits and the General plan does not support the conversion of industrial areas to residential use as most new housing development will be achieved through higher-density redevelopment within existing urbanized areas.

**Growth Area Policy- Employment Lands:** Significant job growth is planned through intensification of each of the City's Employment Land areas, including the Monterey Corridor, because of their proximity to regional transportation infrastructure. The Envision San Jose 2040 General Plan does not support conversion of industrial lands to residential use, nor does it include housing growth capacity for these areas.

*Analysis: These two overarching strategies of the General Plan specifically prohibit the conversion of employment lands to residential land uses unless the proposed site is in a Growth Area. The proposed site is in the Midtown Specific Plan Growth Area which provided for the conversion of specific older industrial lands into higher-density, mixed-use transit-oriented neighborhoods. However, this area was not one of the specific areas that was identified for conversion and its current CIC land use designation identifies this site for the preservation of employment land. The parcels in this area are large and can attract bigger industrial users who need contiguous parcels with a Combined Industrial/Commercial land use designation. Preservation of these lands will allow the current users or a future industrial user to successfully operate a larger employment business on this site.*



2. **Innovative Economy Goal IE-1:** Proactively manage land uses to provide and enhance economic development and job growth in San Jose

**Innovative Economy Policy IE–1.1:** To retain land capacity for employment uses in San José, protect and improve the quantity and quality of all lands designated exclusively for industrial uses, especially those that are vulnerable to conversion to non-employment uses.

**Innovative Economy Policy IE–1.2:** Plan for the retention and expansion of a strategic mix of employment activities at appropriate locations throughout the city to support a balanced economic base, including industrial suppliers and services, commercial/retail support services, clean technologies, life sciences, as well as high technology manufacturers and other related industries.

**Innovative Economy Policy IE – 1.4:** Manage land uses to enhance employment lands to improve the balance between jobs and workers residing in San Jose. Strive to achieve a minimum ratio of 1.3 jobs/employed residents to attain fiscal sustainability for the City.

*Analysis: One of the values that the Envision San Jose General Plan is built on is providing an “innovative economy”. The General Plan acknowledges that San Jose’s economy thrives on innovation, and in order to keep providing this innovation, the City must provide job opportunities for all and ample fiscal resources to build up a successful economy. In order to provide a fiscally strong City, the City needs to provide space for new companies to locate in the City, and preserve land that is dedicated for this type of use. These Innovative Economy policies are directly related to the preservation of employment land in order to provide the necessary space for this innovation. By converting this large 4.1 gross acre site to residential use, the City will lose the opportunity to turn this site into a location for innovation. These Innovated Economy goals and policies are in place to ensure that there is enough land to encourage future employment opportunities on sites that are appropriate for this type of growth.*

3. **Fiscal Sustainability Goal FS-4:** Maintain, enhance, and develop the employment lands within identified key employment areas. Protect existing employment uses within these areas from potentially incompatible non-employment uses.

**Fiscal Sustainability Policy FS–4.1:** Preserve and enhance employment land acreage and building floor area capacity for various employment activities because they provide revenue, near-term jobs, contribute to our City’s long-term achievement of economic development and job growth goals, and provide opportunities for the development of retail to serve individual neighborhoods, larger community areas, and the Bay Area.

**Fiscal Sustainability Policy FS–4.2:** Maintain, enhance, and develop the employment lands within identified key employment areas (like the Monterey Corridor Redevelopment Project Area). Protect existing employment uses within these areas from potentially incompatible non-employment uses.

**Fiscal Sustainability Policy FS–4.5:** Maintain and expand the total amount of land with either Light Industrial or Heavy Industrial designation. Do not add overlays or other designations that would allow for non-industrial, employment uses.

*Analysis: As noted above, the project will convert 4.1 acres of land from a Combined Industrial/Commercial land use designation to a Transit Residential land use designation. This is in direct conflict with the fiscal sustainability goals and policies of the General Plan. The General Plan contemplates that development of these industrial sites will bring the City closer to achieving the much needed jobs-housing balance. In order to allow the necessary revenue-generating businesses to locate in San Jose, there needs to be ample space for these businesses, away from residential uses that can hinder the ability of these sites to operate at their full capacity. With limited locations for potential industrial users to locate to, the need to preserve the industrial space that exists is the key priority to making other General Plan goals and policies come to fruition.*

4. **Land Use Policy LU-2.3:** To support the intensification of identified Growth Areas, and to achieve the various goals related to their development throughout the City, restrict new development on properties in non-Growth Areas.

*Analysis: While this site is in the Midtown Specific Plan Growth Area, the Plan envisioned that these lands to remain as industrial lands by designating the area with the Combined Industrial/Commercial land use designation.*

5. **Land Use Policy LU-6:** Preserve and protect industrial uses to sustain and develop the city's economy and fiscal sustainability.

**Land Use Policy LU-6.1:** Prohibit conversion of lands designated for light and heavy industrial uses to non-industrial uses. Prohibit lands designated for industrial uses and mixed industrial-commercial uses to be converted to non-employment uses.

**Land Use Policy LU-6.2:** Prohibit encroachment of incompatible uses into industrial lands, and prohibit non-industrial uses which would result in the imposition of additional operational restriction and/or mitigation requirements on industrial users use to land use incompatibility issues.

**Land Use Policy LU-6.4:** Encourage the development of new industrial areas and the redevelopment of existing older or marginal industrial areas with new industrial uses, particularly in locations which facilities efficient commute patterns. Use available public financing to provide necessary infrastructure improvements as one means of encouraging this economic development and revitalization.

**Land Use Policy LU-6.5:** Maintain and create Light Industrial and Heavy Industrial designated site that are at least one acre in size in order to facilitate viable industrial uses.

**Land Use Policy LU-6.6:** Monitor the absorption and availability of industrial land, particularly land identified for light and heavy industrial uses, to ensure a balanced supply of available land for all sectors, including industrial suppliers and services.

**Land Use Policy LU-6.8:** Reserve industrial areas for industrial and compatible support uses, while recognizing that industrial uses come in a variety of types and forms. Allow non-industrial uses which are only incidental to and totally compatible with primary industrial uses in exclusively industrial areas. Consider allowing supportive, non-industrial activities, such as retail sales of materials manufactured or stored on site.

*Analysis: The proposed land use change would allow for residential use next to existing industrial, residential and commercially designated lands. This proposed land use change would not only convert employment lands, but will undermine the viability of other industrial properties in the area. A land use conversion such as what is proposed has been proven to have a domino effect on remaining industrial sites in the area thereby eliminating much-needed combined industrial/commercial-designated land. This is a large parcel, roughly 4 acres in size that can be a prime location for future industrial or commercial users, and as such, should be maintained as a Combined Industrial/Commercial site.*

6. **Broad Economic Prosperity Goal IE-6:** Provide widespread access to diverse employment and training opportunities in San José and strive to increase job growth, particularly jobs that provide self-sufficient wages and health care benefits, to allow the community to broadly share in the region's prosperity.

**Broad Economic Prosperity Policy IE-6.2:** Attract and retain a diverse mix of businesses and industries that can provide jobs for the residents of all skill and education levels to support a thriving community.

**Broad Economic Prosperity Policy IE-6.3:** Attract job opportunities accessible to all of San José's residents, particularly residents in low-income neighborhoods.

*Analysis:* The proposed land use change will not provide diverse job opportunities for San José residents, nor create revenue growth for our City that enables delivery of needed infrastructure and desired urban services for the City.

### CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Under the provisions of Section 15270 of the State Guidelines for Implementation of the California Environmental Quality Act, the General Plan Amendment is found to be exempt from the environmental review requirements of Title 21 of the San José Municipal Code, implementing the California Environmental Quality Act of 1970, as amended (CEQA), if the public agency disapproves of the project. Section 15270 states that an initial screening of projects on the merits for quick disapprovals prior to the initiation of the CEQA process where the agency can determine that the project cannot be approved. This section shall not relieve an applicant from paying the costs for an EIR or Negative Declaration prepared for his project prior to the Lead Agency's disapproval of the project after normal evaluation and processing.

### PUBLIC HEARING NOTIFICATION

- ☐ **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- ☐ **Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- ☐ **Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Although this item does not meet any of the criteria above, staff followed Council Policy 6-30: Public Outreach Policy. A notice of the public hearing was distributed to the owners and tenants of all properties located within 1,000 feet of the project site and posted on the City website. The staff report is also posted on the City's website. Staff has been available to respond to questions from the public.

**Project Manager:** Jennifer Piozet

**Approved by:** *Michael Bell*, Division Manager for Harry Freitas, Planning Director

**Date:** 4/8/15

#### Attachments:

Letter from applicant

Owner:	Applicant:
James McDonald & Steve Szehring 1150 West San Carlos Street San Jose, CA 95126	Republic Urban Properties 84 West San Carlos Street, Suite 600 San Jose, CA 95113

March 10, 2015

Harry Freitas, Director  
Planning, Building and Code Enforcement  
City of San Jose  
200 East Santa Clara Street #300  
San Jose, CA 95113

RE: OC McDonald and Mel Cotton request for 2040 General Plan Amendment

Dear Director Freitas:

Related to the City of San Jose "update" to the General Plan Envision 2040, we submit the following properties for change within the GP2040 Envision Land Use Designation/Transportation Diagram:

APN's:

1. Lands of OC McDonald:
  - 264-14-84, 103, 102, 98 & 99
2. Lands of Mel (Stan) Cotton
  - 264-14-20, 17, 82, 83 & 19

The above properties are currently zoned "Combined Industrial/Commercial"; and we are submitting a request to have properties rezoned to "Transit Residential" or an appropriate staff supported land use that combines high density residential and commercial uses.

Midtown San Jose is a strategic growth corridor for the City of San Jose. This is currently reflected in the surrounding properties and the City's identified "Transit Residential" which extends down West San Carlos Street, but stops at this block for whatever reason in General Plan 2040. A Transit Residential designation would allow a high density, transit orientated development which would be very consistent with the overall Urban Village concept a similar to Meridian at Midtown as well as future developments like the "Ohlone Project".

More specifically, the Transit Residential designation will <sup>1</sup>*"help contribute to "complete communities", commercial uses should be included with new residential development in an amount consistent with achievement of planned job growth and Urban Village Plan for relevant Urban Village area."* This general plan request will continue the Envision 2040 goals of completing the Midtown neighborhood and provide consistency between existing properties to the East (Ohlone), West (Meridian at Midtown) and the North (Urban Village). Finally, West San Carlos is identified as a "Bus Rapid Transit Line" and these properties would qualify as being in "close proximity to transit".

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<sup>1</sup> Envision 2040 Chapter 5 "Transit Residential"



More importantly, the collective properties are starting to be in “conflict” with what is an emerging, high density Midtown neighborhood. Specifically to the OC McDonald properties, it is becoming more and more difficult to conduct industrial activities with the increased pedestrian, bike and car traffic. As it relates to Mel Cottons, the current building is aged and does not make financial sense to repair/renovate given the replacement costs. Both businesses desire to remain in San Jose pending this GP Amendment; and without it, we may collectively look to moving our businesses to other South Bay cities with more flexible zoning laws. With that said, OC McDonald is committed to working with the City of San Jose Planning and Economic Development Department to find a replacement “industrial/office” location within the city limits for its overall operation which includes the corporate offices, manufacturing, where housing and storage. In total, this represents over 150 jobs that will be retained in the City of San Jose. In the case of Mel Cottons, it is interest in keeping its sales tax and employment base within the city limits and will be working within a new development plan on these properties to build a new store in what will be a “mixed-use” building. In short, both property owners have a plan and are committed to growing their businesses in San Jose provided this GP Amendment is successful.

Specifically related to GP 2040, we believe the rezoning of said properties follow the “Major General Plan Strategies”:<sup>2</sup>

1. **“Form Based Plan #2:** providing on-going development and a cohesive neighborhood (Midtown).
2. **“Focused Growth #3:** attracting young workers and new retail shopping within existing neighborhoods by converting older commercial areas to mixed-use.”
3. **“Urban Villages #5:** extends the West San Carlos Urban Village to a logical connection to Sunol Avenue”
4. **“Streetscapes for People #6:** allows for the continued development of the Grand Boulevard along West San Carlos as well as convenient access for pedestrians, bikes, transit users and cars with easy access to freeways and expressways.”
5. **“Fiscally Strong City #8:** the ability to retain two long-time San Jose businesses within the city limits and promoting growth for new jobs and an expansion to the City’s tax base”.

In conclusion, we urge the Planning Director and Staff to support this request to proceed as a recommended General Plan Amendment and Re-Zoning request. We are currently working with a local developer with experience in Midtown and would be happy to share additional ideas of how our rezoning effort will result in a new mixed-use project in Midtown as well as what will be our overall “relocation” strategy for our current business.

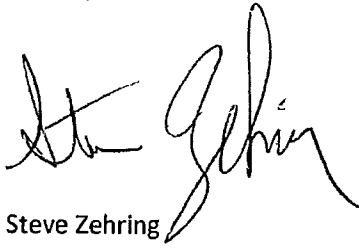
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<sup>2</sup> Major Strategies Chapter 2: Envision 2040

Please contact Jim McDonald at 408 292-8241 with any questions or comments on this application.

Regards,

James V. McDonald  
Owner, OC McDonald

A handwritten signature in black ink, appearing to read "Steve Zehring". The signature is fluid and cursive, with the first name "Steve" written in a smaller, more compact script than the last name "Zehring".

Steve Zehring  
Co-Owner, Mel Cottons

CC: Michael R. Van Every  
Stan Cotton

**The following  
items were  
received after  
packets were  
distributed.**

# REPUBLIC

FAMILY OF COMPANIES

April 20, 2015

San Jose Planning Commission  
200 E. Santa Clara Street #300  
San Jose, CA 95112

Re: File No. GP15-008 – OC McDonald/Mel Cottons request for General Plan Amendment.

Dear Planning Commissioners:

The Republic Family of Companies ("Republic") has been working with the OC McDonald and Cotton property owners on what is a request to change their collective 4.2 acres of property located at West San Carlos Street between Race and Lincoln Streets in Midtown San Jose.

Planning Staff is recommending early "denial" of our request to move forward with the General Plan Amendment which would change the current Land Use Transportation Diagram Land Use from "Commercial Industrial" to "Transit Residential". Republic and the Property Ownership group would like the Planning Commission and the City Council to look a little deeper into this request beyond a "quick denial" and consider allowing this project to move forward through the General Plan Amendment review process as submitted, or within the framework of the General Plan Envision 2040 "update" process as it relates to potential land use changes within the Midtown Specific Plan.

We understand the City's long term view and goals within the Envision 2040 General Plan related to the economic condition the City desires to achieve relative to economic development and the retention of jobs producing lands; however our proposal is intended to comply with those economic goals and to preserve existing jobs (and businesses) within San Jose. Paramount to the final decision of both the Commission and City Council, it is important to understand the current property ownership group of OC McDonald and Mel Cottons and the long-term future of these businesses in Midtown.

First, both of the existing long term businesses desire to invest in and stay in San Jose. Second, as these local businesses transcend into the next family generation of ownership and operation, the businesses need new facilities which can grow, be current with the economic needs of the respective business models and accommodate long term business plans. This is an economic reality. Businesses need to create economic opportunity to generate revenue to allow them to evolve within their respective fields.

The Commission and Council will hear direct testimony from the current owners – Mr. Jim McDonald, President and CEO of OC McDonald as well as Mr. Steve Szehring, Co-Owner and Managing Partner of Mel Cottons Sporting Goods. Their testimony will provide context as to why the Commission and Council should consider immediate solutions to the entitlement needs of these businesses to help facilitate the retention of existing jobs and their commitment toward grow the economic momentum of Midtown.



This site, and this GPA are part of two business models that would facilitate jobs retention, economic development, higher property tax revenue, critical housing and finally how a new mixed-use project could allow a new generation of retail uses that can serve the Midtown shopping district for next several generations.

As noted above, another strategic question the Commission and Council must ask and answer is if Midtown San Jose is a good place for continued and sustainable economic growth for our San Jose/Silicon Valley workforce? Midtown's geographic location near Downtown (1.5 miles), Santana Row (2 miles), Willow Glen (1 mile), Highway 280 (.5 miles) and light rail (1.5 miles) makes it one of the most convenient and attractive locations to live and work in all of San Jose. With the November 2014 opening of the Republic's "Meridian at Midtown" along with future planned projects like Fairfield and Green Republic's Ohlone, Midtown is a current example of a "Transit Village", a fact I made clear many a time in past General Plan 2040 Task Force meetings that I participated in as a Task Force Member and author of the overall plan. While there are numerous technical planning reasons within the General Plan why these properties should be converted to mixed-use, the simple reason really is business retention and economic development.

We are just now starting to see the positive effects of transit orientated development investment in Midtown. Meridian at Midtown represents a \$68 million investment in San Jose along greatly enhanced property tax which is vital to the city now and into the future. Meridian has transformed what was a lifeless and dull corner into a shining example of mixed-use apartments anchored by class-A, corporate retail tenants like Starbucks, Chase and Subway. Meridian was entitled under GP 2020 which allowed form based zoning if the project met certain criteria- proximity to transit, density and compatibility with the existing neighborhood and at the time neighborhood redevelopment areas (Strong Neighborhoods). In short, Planning Staff along with past Planning Commissions and City Councils had vision using logic and economic development as their guide. The question here is, will this Commission and Council continue this economic development momentum by providing similar support to continue Midtown's momentum?

Similar to Meridian at Midtown, the OC/Cotton properties provide an excellent economic development opportunity with frontage on West San Carlos Street. Republic believes a high quality, mixed-use apartment/condo project could be designed and constructed which would yield around 250 units within four stories along with a strong street front commercial component which would continue what is an emerging class A retail destination for shopping and entertainment. However, to achieve this, the current General Plan Land Use Designation must be changed via this General Plan Amendment request.

In previous correspondence regarding this GP request, Republic and the property ownership group believe it has made a strong, technical argument that the land use request of "Transit Residential" is very consistent with the overall "Major Strategies" of General Plan 2040. These include "Form Based Planning, Focused Growth, Urban Village" and a Fiscally Strong City". Despite these consistencies, Planning Staff is recommending "denial" of our GP Amendment to a change of "Transit Residential".

Understanding the overall timing of the up-coming General Plan 2040 “update” process, we believe Planning Staff is striving to seek consistency in quickly denying applications like this that are “infill” and pragmatic in nature. We would surmise that given the tasks ahead to strengthen the current General Plan via a “minor update” Planning Staff sees this as a bigger issue. With that said, we simply do not agree with this approach and remind the Commission and Council that this area of San Jose needs strong attention from its elected leaders to ensure long-term sustainably and economic growth; especially when it involves local, long-term property and business owners. In summary, a “quick denial” of this request precludes full analysis of the merits of our request. Early denial would eliminate any economic development opportunity, jobs retention, commitment to *existing businesses*, property tax enhancement and it certainly would not create an opportunity for good economic development.

Republic would like to respectfully urge the Planning Commission and City Council to consider one of the following two actions:

***1) Allow the project to move forward with the GP Amendment/Rezoning using the Midtown Specific Plan as the policy guide to implement the rezone.***

- This is the favored approach of Republic and the property owners.
- Provides the largest economic benefit to Midtown and San Jose.
- The project lies within the Midtown Specific Plan which is independent from the GP 2040 Village plans and allows Staff flexibility to look at some form based zoning within the overall “village” concepts.
- From GP Envision 2040:
  - i. *“The Midtown Specific Plan directs the conversion of an aging industrial area to a vibrant mixed use community oriented to transit and designed for the pedestrian. Located just west of Downtown and south of the San José Arena, this 210-acre area is planned for close to 3,000 high density housing units, parks, employment opportunities, neighborhood-serving commercial uses, some industrial activities, and close community connections with the San José Diridon Caltrain/Amtrak station and planned light rail stations”.*
  - ii. *Specific Plan areas have played a central role in the City’s ongoing commitment to providing new housing through transit-oriented development projects. While a few of the Specific Plans have been fully implemented, several continue to provide important growth capacity. (including Midtown) The City’s adopted Specific Plans generally have a residential orientation, providing significant capacity for residential and mixed-use development at important infill sites throughout the City and often in proximity to the Downtown. The Envision General Plan maintains the existing growth capacity and residential focus of the Specific Plan areas, with the exception of the Alviso Master Plan, which has an employment focus and expanded job growth capacity provided through the Envision General Plan.*

Letter to Planning Commission and SJ City Council

April 20, 2015

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**2) Refer the properties to the GP 2040 Update Task Force/Process**

- Republic and Property Owners would consider this “middle ground” which would allow Planning Staff to analyze the land use as it works through overall land use adjustments that it will make as part of the “Village Planning” via the Midtown Specific Plan.

Thank you for your consideration and please see the attached information which will provide additional context and visuals of the great work and momentum that is happening in Midtown San Jose, our collective home and place where we conduct our businesses.

Regards,



Michael R. Van Every  
President and CEO  
Republic Family of Companies



Jim McDonald  
President and CEO  
OC McDonald



Steve Szehring  
Co-Owner and Managing Partner  
Mel Cottons Sporting Goods

**Attachments:**

- 1) “Before and After” pics- Midtown San Jose
- 2) Meridian at Midtown “Economic Facts”

CC: Hon. San Jose Mayor Liccardo and City Council  
Planning Director Harry Freitas



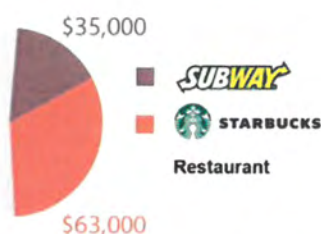


## DEVELOPMENT IMPACTS ON THE LOCAL AREA

### Property Tax Increase



### Sales Taxes From the Project



### Jobs Created



1432 WEST  
SAN CARLOS STREET

**Meridian at Midtown**  
Project Cost: \$70 million  
Substantial completion: Winter 2014

Meridian at Midtown is helping to revitalize midtown San Jose with new premium residential and commercial retail space. Developed by Republic Family of Companies, Meridian at Midtown is an upscale, multifamily mixed-use development situated on three acres at 1432 West San Carlos Street. Meridian features 218 residential apartments with 15,000 square feet of retail space.

Meridian residents enjoy a range of community amenities including a bike kitchen, grilling stations with picnic areas, conversation niches, courtyard lounge, outdoor entertainment kitchen, linear park, and a dining room that can be reserved for events for 12-15 guests. Privately constructed linear park along the western side of the building that includes a playground, dog park, picnic areas is also available to all neighborhood residents.

- STARBUCKS
- SUBWAY
- URGENT CARE
- CHASE BANK
- AND MORE...

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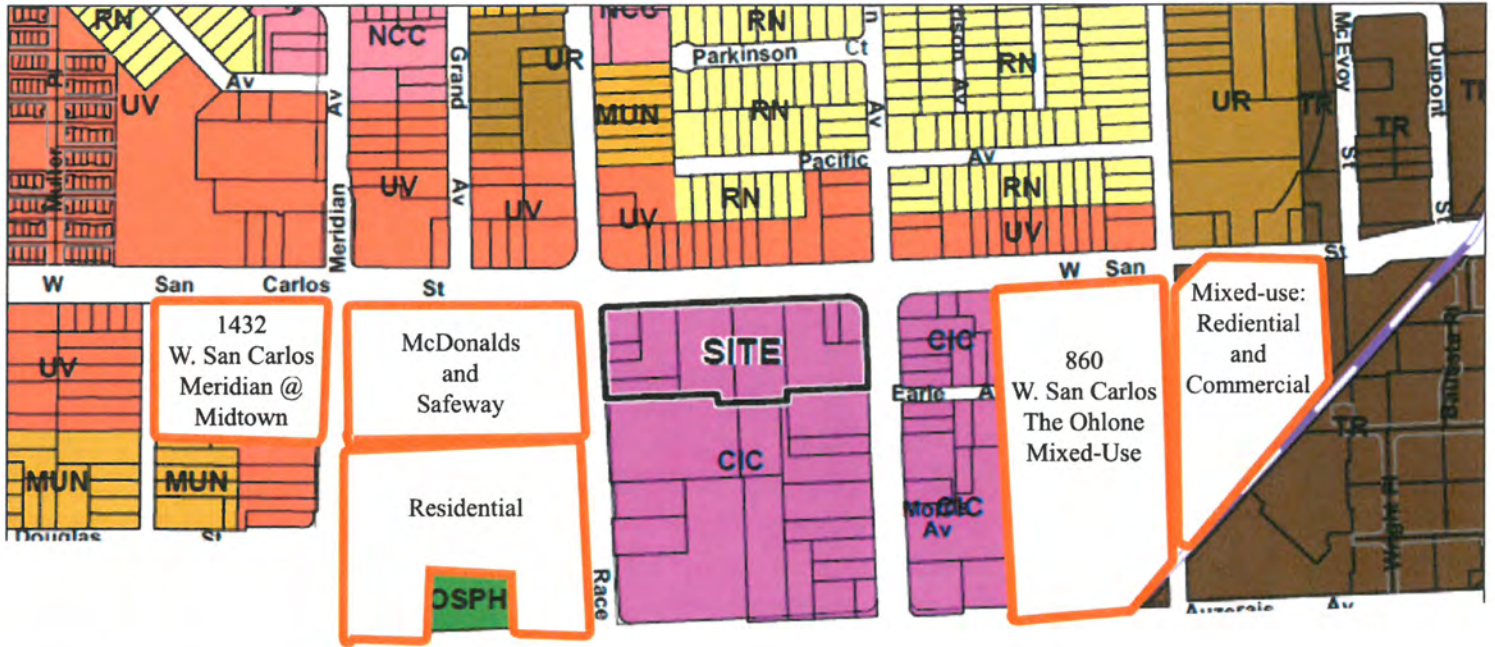
84 West Santa Clara St.  
STE. 600  
San Jose, CA 95113

(408)292-1601

info@republic-urban.com



# Midtown San Jose



## Meridian at Midtown

1432 West San Carlos Street



## Buena Vista Midtown

1535 West San Carlos Street



# GP15-008 - WSC/Race St - Mel Cotton/OC McDonald site

Terri Balandra <tbalandra@apr.com>

Tue 4/21/2015 12:00 AM

Inbox

To: dyob@hopkinscarley.com <dyob@hopkinscarley.com>; edesab@yahoo.com <edesab@yahoo.com>;  
kline@libraryworld.com <kline@libraryworld.com>; ed@abelite.com <ed@abelite.com>; nick@nickpham.com  
<nick@nickpham.com>; brian.ohalloran@att.net <brian.ohalloran@att.net>; ballardshiloh@gmail.com  
<ballardshiloh@gmail.com>;

Cc: Freitas, Harry <Harry.Freitas@sanjoseca.gov>; Piozet, Jennifer <Jennifer.Piozet@sanjoseca.gov>; Brilliot, Michael  
<Michael.Brilliot@sanjoseca.gov>;

Planning Commissioners;

Re: General Plan Amendment Proposal for the WSC/Race St (Mel Cotton's & O.C. McDonald's site)

This proposal appears to be a developer "test", to see if the City is willing "to fold" - on upholding the new Envision 2040, in regards to Employment Land Conversion.

After I attended 4+ years of Envision 2040 meetings, I have these questions:

1) Has San Jose's current poor ".8 jobs to each resident" improved to the "1.3 jobs per resident" goal, yet?

Please provide info on the actual buildings that have been built - that are providing jobs, in the past five years.

2) Is this proposed project "Revenue Positive" - or, will it need diluted City Services for the hundreds/thousands more future project residents?

Did we all sit through 4+ years of the Envision 2040 discussions for amusement?

Please, **Just Say NO - to Employment Land Conversions... period.**  
Respectfully;

**Terri Balandra**

D6 Resident

408.309.3711 cell

tbalandra@apr.com

# Re: GP15-008 Mel Cottons

Piozet, Jennifer

Tue 4/21/2015 12:46 PM

Sent Items

To: Kinman, Randi <randikinman@yahoo.com>;

Cc: Brilliot, Michael <Michael.Brilliot@sanjoseca.gov>; Xavier, Lesley <Lesley.Xavier@sanjoseca.gov>; Baty, Avril <Avril.Baty@sanjoseca.gov>;

Hello Randi,

SNI's were dissolved as an official City program after the Governor eliminated the Redevelopment Agency. It is great to hear that your NAC group is still active, but staff reports no longer mention SNI's as the program is not longer active. The public hearing on this item is at tomorrow's Planning Commission hearing, and this item was noticed on April 8th to the surrounding neighborhood. I will include a copy of your email for the Planning Commissioners to view and attach it to the staff report.

Please let me know if you have any questions.

Best,

**Jennifer Piozet**

Planner II | Development Review | PBCE

City of San José | 200 East Santa Clara Street

Email: [jennifer.piozet@sanjoseca.gov](mailto:jennifer.piozet@sanjoseca.gov) | Phone: (408)-535-7894

For More Information Please Visit: <http://www.sanjoseca.gov/planning>

---

**Sent:** Tuesday, April 21, 2015 6:38 AM

**To:** Piozet, Jennifer

**Subject:** Fwd: GP15-008 Mel Cottons

----- Forwarded message -----

From: **Randi Kinman** <[randikinman@yahoo.com](mailto:randikinman@yahoo.com)>

Date: Monday, April 20, 2015

Subject: GP15-008 Mel Cottons

To: Jennifer Piozet <[jenniferpiozet@gmail.com](mailto:jenniferpiozet@gmail.com)>

Cc: "Michael.Brilliot" <[michael.brilliot@sanjoseca.gov](mailto:michael.brilliot@sanjoseca.gov)>

Hi;

I didn't see that there is even a space for SNI on the planning document. This is in an SNI and we

are still active and until the blight designation is removed, that's how things will stand.

Also, was there no public hearing on this?

Randi Kinman, President  
Burbank/Del Monte NAC



Planning Commissioners

Dori Yob  
Ed Abelite  
Norman Kline  
Brian O'Halloran  
Nick Pham

**RE: GP15-008 Agenda 7.B**

Planning Commissioners:

**SITE IS NOT TRANSIT RESIDENTIAL**

This site is not transit residential by any means. The nearest light rail station is over 2000 feet away which according to a Mineta Transportation Institute Case Study which used VTA and Portland light rail stations is outside the walkability zone from the Race Street VTA station. One study even suggests that the walkability range should be no more than 300 to 600 feet. Add 1 or 2 young kids to the mix and most likely those figures are going to go down. How many parent would walk ½ mile to the Race Street VTA station with the 3 or 4 year old kid?

Most likely Green Republic representatives will argue that VTA intends to build a station at Sunol and Auzerais, despite being informed in 2009 that VTA does not have the money nor any present plans to build a light rail station in the Ohlone area. Barry Swenson reps who appeared at the Ohlone Planning Commission Meeting on 1/28/15 finally admitted that they knew the Sunol station was highly speculative at best.

A possible light rail station was mentioned back in 2000 during an EIR Report, however it does not appear in Yet, the VTA has no intention nor has it ever had the intention of building a station at the project site. In fact, the VTA 2030, 2035, and 2040 Vision Plans, make no mention of building any type of Light Rail Station at the project. The Planning Department knows this and so does Green Republic. They knew this in 2009 and have had it brought up every year since because I have told them that VTA has no intention of building a station without being funded from outside the agency. Additionally, the Planning Department knows that the developer contribution to any Light Rail Station is woefully inadequate as the total from the 3 developers in the area will only total \$3 million dollars when back in 2009 the construction of a light rail stations was estimated to be approximately \$4.5 million. In 2014, the cost of a station has increased to \$15 million. Again, the Planning Department and Green Republic knows this has been brought up in other meetings regarding developments.

The fact that Green Republic may continue to insist that a Light Rail Station will be built near the project is disingenuous at best. It appears the applicants have taken up the Barry Swenson (Green) and Republic Family of Companies (Republic) aka Green Republic mantra of all future residents will use public transportation.

Even the applicant's idea that the site will be on a Bus Rapid Transit route is speculative. They fail to point out that planning is expected to go through Fall 2016 and no construction will begin until late 2017. It also would require Santa Clara and Cupertino to agree with the plan. Additionally, shutting down 1 lane of traffic each way where there are only 2 lanes is ludicrous.

## **RETAIL**

Michael Van Every, the President of Republic will insist that retail does not work. What he really means by this mantra is that retail doesn't make Republic as much money. The reason why retail doesn't work is because the developers slash the amount of retail in every project in the area.

**Furthermore, the representatives from Barry Swenson were gloating in the elevator about how they were able to get a reduction in retail at the Ohlone project after the 1/28/15 Planning Commission meeting. This plus their reduction of retail at Meridian at Midtown shows they have no interest in doing any retail.**

If retail doesn't work, how come you can't find a parking space right in front of the stores at San Jose Marketplace on Coleman Avenue? Retail won't work because developers use every effort to stop it from working. The area is underserved by only 2 grocery stores which consistently have long lines. At the end of the day, Mr. Van Every can go back to his Evergreen Community and not have to stand in a line 10-15 people deep at Safeway to buy groceries unlike the residents of the Mid-Town areas.

The Mid-Town Specific Plan created a balance of work and jobs. Unfortunately, previous Planning Commissioners and the City Council have riddled that plan with so many exceptions. The residential aspect continues to grow leaps and bounds while the retail element is ignored. The City Council and the Planning Commission should not allow the **loss of 178,596 square feet of commercial/industrial space** especially at and area on major streets.

The Midtown Plan called for 2,940 units to be built and 335,000 square feet of retail. However, this project and others in the planning stages shows that the residential units have exceeded this amount while retail is lagging behind as shown in the tables below.

<b>Development</b>	<b>Units</b>	<b>Running Total of Units</b>
Monte Vista	235	235
Meridian at Midtown	217	452
Cheim Lumber	315	767
Elements	243	1,010
Mosaic	386	1,396
Village Square	95	1,491
Fiesta Lanes	125	1,616
Parkview	90	1,706
Midtown Plaza	257	1,963
Willard Gardens II	6	1,969

1480 Douglas	6	1,975
85 Sunol	270	2,245
Ohlone	800	3,045
Reed & Graham	1500* proposed number when developed	4,545
	<b>Overage of Residential Units</b>	<b>+1605 units</b>

<b>New Retail</b>	<b>Square Footage</b>	<b>Running Total of Square Footage</b>
McDonald's	1,240	1,240
Safeway	54,444	55,684
Walgreens	14,100	69,784
1401 West San Carlos	1,240	71,024
Meridian at Midtown	15,000	86,024
Ohlone	12,000	98,024
<b>Elimination of Mel Cottons and OC McDonald</b>	<b>-178,596</b>	<b>-178,596</b>
	<b>Square Footage Deficit</b>	<b>-415,572</b>

Clearly, all attention has been paid to residential and very little to retail, not to mention the 920,000 proposed office space square footage. Even if you use a very conservative figure of 2 person per unit, you are still putting in over 7,000 people in the Midtown area to be served by 2 grocery stores.

### **TRAFFIC/DENSITY TOO HIGH IN THIS AREA**

The density is for this General Plan Amendment is too high allowing up to 250 units per acre. This project brings online way too many units. It is within the last year or so that the downtown residential towers are finally filling up after remaining virtually empty for years. And even more units will be coming online shortly. Part of the reason that the vacancy rates are going down is because they have been converted from condos to apartments.

There is an F rating for traffic on Highway 87 and Interstate 280 which needs to be considered along with the impact on City streets. In fact, there are only 2 intersections that

maintain a B rating. One of them is the intersection of the project which obviously will have the rating go down once 1000 apartments of this project come online. For the most part all of the intersections on West San Carlos from Bird Avenue to Bascom Avenue have a C rating or less. Most notable the Meridian intersection which has been designated by San Jose as a protected intersection and Bird Avenue are ranked C- to D. These rating will only get worse with the proposed density. West San Carlos and Race Street already has failing grades in both morning and evening commutes.

<b>Intersection</b>	<b>AM</b>	<b>PM</b>
West San Carlos\Bird	C-	D
West San Carlos\Sunol	B	B-
West San Carlos\Lincoln	C-	D+
<b>West San Carlos\Race</b>	<b>C-</b>	<b>D+</b>
West San Carlos\Meridian	D+	D
West San Carlos\Buena Vista	B	B
West San Carlos\Leigh-Shasta	C	C
West San Carlos\Wabash-Leland	C+	B
West San Carlos\Bascom	D	D

## **GENERAL PLAN AMENDMENT SHOULD NOT BE APPROVED**

While Mr. Van Every will tug at the emotional strings about how much he loves San Jose and is multi-generation San Josean, emotions should not be the basis for any approval. This general plan amendment relies on extremely flawed data and assumptions. The planned West San Carlos Light Rail Station is nothing more than a fairy tale as well as the Bus Rapid Transit.

This project takes away scarce retail opportunities that the Mid-Town Specific Plan requires by eliminating retail space by over 173,000 square feet. The City and past Planning Commissions continue to inundate Mid-Town with residential units but barely provide any of the retail or jobs that are supposed to happen.

While Republic claims that they love San Jose, they are not about to harm their money-making opportunity to the advantage of San Jose. It is interesting that now the property owners claim they cannot do business because of all of the development but yet, they remained silent when all of the other developments were being planned. The remained silent during planning for the Ohlone and Meridian at Midtown projects as well as the Mosaic and Elements. They see development as a windfall.

Sincerely,

Brian Ward  
brianward1498@comcast.net



1498 Douglas Street  
San Jose, CA 95126



April 21, 2015

Dori Yob, Chair

Members of the Planning Commission of the City of San Jose

Harry Freitas, Director of Planning, Building, and Code Enforcement

San Jose City Hall

200 East Santa Clara Street

San Jose, CA 95113

Re: GP15-008 General Plan Amendment Converting 320 Race St. from Combined Industrial / Commercial to Transit Residential

Dear Chair Yob, Planning Commissioners, and Director Freitas:

This letter is written on behalf of the board of directors of the Buena Vista Neighborhood Association and the residents of the Buena Vista Neighborhood, roughly bounded between West San Carlos Street and Interstate 280, and Leigh and Meridian Avenues, pursuant to a 3/24 BVNA board resolution regarding the above named General Plan Amendment. This project is one block east of our neighborhood's eastern boundary and has the potential to negatively impact our neighborhood.

We are writing to urge your denial of the conversion of the Combined Industrial and Commercial GP designation to Transit Residential in application GP15-008 on several grounds:

1) Approval would be inconsistent with San Jose's *Envision San Jose General Plan 2040: A City of Great Places*, which first and foremost calls for preservation of employment lands and improvement of the jobs/housing ratio, which has since eroded from 0.85 in 2010 to 0.79 in 2014 according to the staff presentation at the April 14th San Jose City Council study session. We are moving the wrong way from the goal of 1.3 jobs per employed resident.

2) This request follows the recent approval of several thousand additional residential units to be added to the Midtown area and the West San Carlos Street Urban Village and Grand Boulevard (Meridian, Fairfield, Ohlone, etc. – approx. 2,000 units) in addition to existing entitlements such as the Reed & Graham site (upwards of 5,000 units) and the final stages of the Sobrato development along Lincoln Avenue. Pending units should be built and absorbed by adjacent neighborhoods before additional expansions are contemplated. Despite discussion of the City's intent for more jobs, residential entitlements have proceeded very quickly without triggers to balance Midtown job growth with housing growth specified in the General Plan and Urban Village draft plans.

3) New residents will require expanded services. The Midtown parcels in question could be the last prime real estate for large retail or other mixed uses to support new residents, to cut vehicle miles for existing residents, and/or to provide jobs locally. To convert these parcels to housing would be an irrevocable mistake generating many additional vehicle miles to shopping centers and office parks from unmet local needs (jobs, services, etc.), running counter to the GP call for a reduction in vehicle miles traveled! Often those trips take our neighbors outside the city to adjacent municipalities like Campbell and Santa Clara, which benefit from increased sales tax and other revenues, while new residents cost San Jose service dollars on nights and weekends.



4) Residential is not the highest and best use of the parcel, which has potential given proximity to transit, existing commercial, and residential surroundings, to serve as a commercial hub for Midtown along with the Safeway Marketplace. It can intensify as an employment center above its current use.

5) The façade of the O.C. McDonald Company facility adds a great deal of character to the West San Carlos streetscape. With appropriate shade trees and improvements by adjacent properties, it could be a retro gem rather than turned into another sheer wall looming over our Grand Boulevard.

6) The letter appended to the staff report, from Mr. McDonald and Mr. Zehring of O.C. McDonald and Mel Cotton's, respectively, deserves a sharp rebuke by your Commission, specifically for this sentence: "In short, both property owners have a plan and are committed to growing their businesses in San Jose *provided this GP Amendment is successful.*" (emphasis added) The implication that they will leave San Jose or otherwise cease business if they are not entitled to build residential units is offensive. If pedestrian, bike, and car traffic has made business too difficult for the owners, it is hard to imagine that the site is appropriate for residential uses which will generate still more traffic, over 1000 units with a Transit Residential designation allowing up to 250 units per acre on a 4.1 acre site.

7) We do not find either of these businesses in conflict with adjacent neighborhoods. Many neighbors have had furnace duct repair work done by O.C. McDonald that simply would not be possible by a modern outfit installing only new units. Both organizations serve the surrounding economy and communities very ably as evidenced by their long tenures back to the fruit packing and canning era.

8) We acknowledge that incoming residents need housing, but they need employment to pay rent too. Consider: 0 bedroom / 1 bathroom studios are leasing here right now for over \$2,300 a month. This is hardly affordable housing, and more of it is not bringing prices down.

In closing:

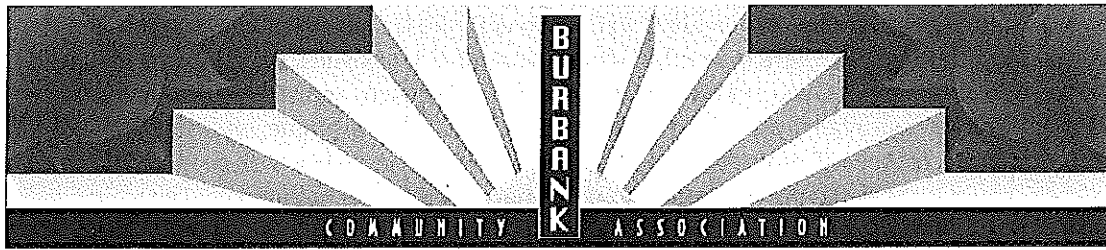
- This amendment runs counter to the General Plan, which is functioning as designed.
- Midtown has borne more than its share of new development and will for the next decade without a single additional approval by your Commission.
- Our City should hold out for something better on this block.
- The existing uses are neighborhood-serving businesses, supported by the neighborhoods.
- More housing in the area appears to do little to affect affordability and instead puts additional costs on the neighborhoods while burdening our scarce city services.

We respectfully request that the Planning Commission deny this application to amend the *GP 2040*.

Thank you for your consideration of our neighborhood concerns.

Sincerely,

John S. Leyba  
President, Buena Vista Neighborhood Association



Dori Yob, Chair  
Harry Freitas, Director of Planning, Building, and Code Enforcement  
Members of the Planning Commission, City of San Jose  
San Jose City Hall  
200 E. Santa Clara St.  
San Jose, CA 95113

RE: GP15-008 General Plan Amendment - conversion of 320 Race St. from Combined Industrial/Commercial to Transit Residential

Dear Members of the Planning Commission -

This letter is written on the behalf of the Burbank Community Association, which represents the neighborhood (west of Buena Vista neighborhood) that encompasses W. San Carlos St.; roughly bounded by I-880 to the west, and partially by Leigh Ave. to the east. Our boundaries are in District 6.

As an organization, we cannot support this general plan amendment for land conversion, and urge you to deny it.

The 2010 Census reports that Burbank contains 1982 household units with a population of 4926. We already have the residents here. We don't need to saturate this neighborhood with additional residents. Apartments and condo units promote a transient demographic, and are apt to leave the neighborhood, rather than make a personal or financial investment into the community. In the blurred vision of adding residents to a community, you also need it to be job-rich. With approval, you would be thus promoting a higher-density of traffic.

In light of the city's housing/job imbalance (0.8 jobs/housing ratio). The Meridian project has just been completed; the Ohlone project is in the pipeline; this essentially will have added a couple of thousand units to an area already wrought with thousands of single family homes and existing high-density in-fill housing such as the Mosaic on Race, Cannery Square on Auzeais, etc.

Amidst all this, drive down W. San Carlos as it exists today, and you will see the imbalance. Where are the jobs? There are independent businesses in older commercial buildings, but most are in danger of leaving if their property is redeveloped. Then, there's Safeway and Walgreens; then there is high density office/commercial downtown, and there is Valley Fair, but we have NO mid-size commercial in the area, which provides an imbalance.

Some might argue that this conversion is still in-line with the General Plan 2040 and urban village project, however, there is a reason why you approved it as-such. By approving land use conversion amendments, you are not taking a hard-line approach, and allowing for potential inconsistency in your plan if we 're too flexible with land use. For example, with so many different projects that will tentatively be proposed over the next 30 years on so many different parcels, you run the danger of an inconsistent neighborhood that is not managed or scaled well over time and thus allowing for too much flexibility.

Lastly, what really makes a neighborhood is scalability. If you think about Willow Glen, Palo Alto, Mountain View, and other commercial/shopping districts, they all retain some sort of character through not only history, architecture, and mixed use - but also through scalability. What promotes walkability is - scale - on the human level.

So, the Grand Boulevard plan for us doesn't necessarily mean giant buildings; it means something we want to go to for services in the neighborhood. Especially as a street that is a major thoroughfare between the larger scale destinations such Downtown and Valley Fair/Santana Row, we want something in-between.

Prime example is Meridian at Midtown on the corner of W. San Carlos and Meridian, or the Ohlone project. If we allow too many land-use conversions, we run the risk of opening Pandora's Box once a precedent has been set.

Sincerely,

Jimmy Lew  
President, Burbank Community Association



Sophie Luu  
1310 Saddle Rack St #223  
San Jose, CA 95126

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April 21, 2015

Dori Yob, Chair  
Members of the Planning Commission of the City of San Jose  
Harry Freitas, Director of Planning, Building, and Code Enforcement  
San Jose City Hall  
200 East Santa Clara Street  
San Jose, CA 95113

Re: GP15-008 General Plan Amendment Converting 320 Race St. from Combined Industrial / Commercial to Transit Residential

Dear Chair Yob, Planning Commissioners, and Director Freitas:

I am a resident at Mid Town Plaza, located in the Midtown neighborhood of San Jose. Mid Town Plaza is bounded between Auzerais and Saddle Rack Street, and Meridian and Race Street. This project is one block north of my neighborhood's eastern boundary and has the potential to negatively impact our neighborhood.

I am writing to urge your denial of the conversion of the Combined Industrial and Commercial GP designation to Transit Residential in application GP15-008 on several grounds:

- 1) Approval would be inconsistent with San Jose's Envision San Jose General Plan 2040: A City of Great Places, which first and foremost calls for preservation of employment lands and improvement of the jobs/housing ratio, which has since eroded from 0.85 in 2010 to 0.79 in 2014 according to the staff presentation at the April 14th San Jose City Council study session, moving the wrong way from the goal of 1.3 jobs per employed resident.
- 2) This request follows the recent approval of several thousand additional residential units to be added to the Midtown area and the West San Carlos Street Urban Village and Grand Boulevard (Meridian, Fairfield, Ohlone, etc. – approx. 2,000 units) in addition to existing entitlements such as the Reed & Graham site (upwards of 5,000 units) and the final stages of the Sobrato development along Lincoln Avenue. Pending units should be built and absorbed by adjacent neighborhoods before additional expansions are contemplated. Despite discussion of the City's intent for more jobs, residential entitlements have proceeded very quickly without triggers to balance Midtown job growth with housing growth specified in the General Plan and Urban Village draft plans.

3) New residents will require expanded services. The Midtown parcels in question could be the last prime real estate for large retail or other mixed uses to support new residents, to cut vehicle miles for existing residents, and/or to provide jobs locally. To convert these parcels to housing would be an irrevocable mistake generating many additional vehicle miles to shopping centers and office parks from unmet local needs (jobs, services, etc.), running counter to the GP call for a reduction in vehicle miles traveled! Often those trips take our neighbors outside the city to adjacent municipalities like Campbell and Santa Clara, which benefit from increased sales tax and other revenues, while new residents cost San Jose service dollars on nights and weekends.

4) Residential is not the highest and best use of the parcel, which has potential given proximity to transit, existing commercial, and residential surroundings, to serve as a commercial hub for Midtown along with the Safeway Marketplace. It can intensify as an employment center above its current use.

5) The façade of the O.C. McDonald Company facility adds a great deal of character to the West San Carlos streetscape. With appropriate shade trees and improvements by adjacent properties, it could be a retro gem rather than turned into another sheer wall looming over our Grand Boulevard.

6) The letter appended to the staff report, from Mr. McDonald and Mr. Zehring of O.C. McDonald and Mel Cotton's, respectively, deserves a sharp rebuke by your Commission, specifically for this sentence: "In short, both property owners have a plan and are committed to growing their businesses in San Jose provided this GP Amendment is successful." The implication here is that they will leave San Jose or otherwise cease business here if they are not entitled to build residential units on their properties. If pedestrian, bike, and car traffic has made business too difficult for the owners, it is hard to imagine that the site is appropriate for residential uses which will generate still more traffic, over 1000 units with a Transit Residential designation allowing up to 250 units per acre on a 4.1 acre site.

7) We do not find either of these businesses in conflict with adjacent neighborhoods. Many neighbors have had furnace duct repair work done by O.C. McDonald that simply would not be possible by a modern outfit installing only new units. Both organizations serve the surrounding economy and communities very ably as evidenced by their long tenure back to the fruit packing and canning era.

8) We acknowledge that residents need housing, but they need employment to pay rent too. Consider: 0 bedroom / 1 bathroom studios are leasing here right now for over \$2,300 a month. This is hardly affordable housing, and more of it is not bringing prices down.

9) Finding parking on Race Street, Auzeais and Saddle Rack Street is already difficult with the approximate one thousand plus residents currently living at Mid Town Plaza, Crescent Parc, Parkview Senior Apartments, Parkview Families Apartments, Mosaic Apartments, and Element Apartments. The addition of this project would worsen the already difficult parking situation in Midtown.

In closing:

- This amendment runs counter to the General Plan, which is functioning as designed.
- Midtown has borne more than its share of new development and will for the next decade without a single additional approval by your Commission.
- Our City should hold out for something better on this block.
- These are neighborhood-serving businesses, supported by the neighborhoods.
- More housing in the area appears to do little to affect affordability and instead puts additional costs on the neighborhoods and burdens our scarce city services.
- The additional units from this development and the already approved Sobrato development would worsen the already difficult parking situation at Midtown.

I respectfully request that the Planning Commission deny this application to amend the General Plan.

Thank you for your consideration of our neighborhood concerns.

Sincerely,

Sophie Luu  
Mid Town Plaza Resident.